

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF OAK)	
HILL WATER ASSOCIATION)	CASE NO. 90-280

O R D E R

On September 21, 1990, Oak Hill Water Association ("Oak Hill") filed its revised tariff with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being sufficiently advised, finds:

1. Oak Hill's supplier, city of Somerset, increased its rate for wholesale water from \$1.25 to \$1.55 per 1,000 gallons effective July 1, 1990.

2. Oak Hill proposed to increase the rates to its customers July 3, 1990; however, the time period between Oak Hill's filing date of September 21, 1990 and its proposed effective date exceeds the 20 day period specified by KRS 278.012. By requiring that revised tariffs be filed with the Commission within 20 days of the date rates to customers are increased, the statute authorizes the charging of the adjusted rates for a maximum of 20 days before applying for Commission approval. Therefore, Oak Hill's adjusted rates should be made effective September 2, 1990.

3. During the 12 months ending June 30, 1990, Oak Hill purchased 39,773,300 gallons of water and sold 39,678,310 gallons.

4. The increase in Oak Hill's purchased water costs is \$11,932, resulting in a purchased water adjustment of 30 cents per 1,000 gallons of water.

5. The purchased water adjustment of 30 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

6. The tariff sheet and rates proposed by Oak Hill should be denied because the purchased water adjustment was not correctly applied to the minimum bill, the effective date is incorrect, and the tariff was not signed by the utility officer authorized to issue the tariff.

IT IS THEREFORE ORDERED that:

1. The tariff sheet filed by Oak Hill is hereby denied.

2. The purchased water adjustment of 30 cents per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after September 2, 1990.

3. Within 30 days of the date of this Order, Oak Hill shall refund to its customers any revenue which has been collected as a result of the increased rates for services rendered prior to September 2, 1990. Within 10 days thereafter, Oak Hill shall file a statement showing the dates of refunds, the amounts of refunds and the customers to whom refunds were made. If the increased rates were not charged prior to September 2, 1990, Oak Hill shall file a statement with the Commission asserting that fact.

4. Within 30 days of the date of this order, Oak Hill shall file a revised tariff, signed by the appropriate utility officer, setting out the rates approved herein and the correct effective date.

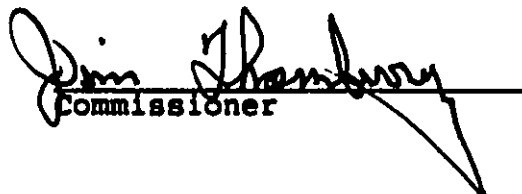
5. Within 20 days of the date of this Order, Oak Hill shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 22nd day of October, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-280 DATED 10/22/90

The following rates and charges are prescribed for the customers in the area served by Oak Hill Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Rates: Monthly

First 1,500 gallons	\$6.95 Minimum Bill
Next 3,500 gallons	2.20 per 1,000 gallons
Next 5,000 gallons	1.85 per 1,000 gallons
Next 15,000 gallons	1.75 per 1,000 gallons
Over 25,000 gallons	1.65 per 1,000 gallons
Sales For Resale	\$1.68 per 1,000 gallons